

REMARKS BY SENATOR HUBERT H. HUMPHREY

ALCO STANDARD

Lake Geneva, Wisconsin

December 9, 1971

I was talking to your Chairman of the Board earlier, and he asked me what I would be doing if I were President of the United States.

That is a challenging question. There are so many things that need doing in our nation.

We need better housing, decent jobs, a level of basic services across the nation, new mechanisms of financing government credit. We need answers to our city and suburban problems. We need to revitalize our rural heartland. We need welfare reform. The list is almost endless.

Today I would like to limit myself to three areas: the economy, our foreign economic policy, and the need for governmental responsiveness.

ECONOMY

The number one priority of this nation is to get the economy moving again. We can delay no longer.

We have high unemployment, a sluggish plant capacity, high consumer savings, high interest rates, a slumping stock market, a tight bond market. In short, we have an economy that is limping badly, and we are all crippled because of it. What are some answers?

Two weeks ago in the Senate, I voted for the investment tax credit. I did so without equivocation. This device has worked before. It can work now.

I do not believe this nation can continue with noncompetitive, obsolete factories. I just do not believe that we can continue investing the smallest proportion of our GNP of any major industrial nation.

I think the investment tax credit will help. I think it will move us from 73 percent capacity utilization toward full production.

I also voted for programs to stimulate employment. All of us here gain from employment. The government gains because tax revenues are higher. Business gains because profits are higher. People gain because they have income security.

And employment means spending, and spending means economic movement.

But, I am deeply disturbed about the uncertainty surrounding the Administration's post-freeze stabilization program.

Let us go back a bit. What was the reason for the August 15 freeze? Let's forget politics for a minute. Why did the Administration act? The reason is simple -- the economy was falling apart.

And what did the Administration hope to accomplish? Again, the answer is simple -- it wanted to get the free enterprise system of this nation producing again.

Now, what has happened?

Confusion, darkness, uncertainty, business anxiety.

I say to you today that the uncertainty surrounding the Nixon Administration Phase II program is responsible for the lack of confidence in and the continued sluggishness of the economy.

Under the Phase II program, the guidelines are confusing and contradictory. Businessmen and working men are uncertain about wages, fringe benefits, the costs of doing business. Businessmen do not know if they can increase prices or what price levels will be acceptable. They don't know to what degree of regulation their actions will be subject.

Look at the procedures set up under Phase II.

There are three tiers of controls. The largest unions and businesses are in tier one -- they must have prior approval for increases. The middle groups only need notification; but there is a catch -- they can be called upon to rescind if increases are found out of line. Finally, the lowest group need not report, but if perchance they are reported by someone else, they are subject to review and might be required to rescind any increase in wages or prices.

I say that business cannot operate under these conditions. As long as the economic darkness continues, business will not invest, production will not increase, and consumers will remain unwilling to spend.

How is business going to make a commitment of men and material if it does not have reasonable guidelines as to costs, the prices they can charge, the pass through allowed, and the wages they must pay?

I believe that business is important to this nation. It takes investment -- of either a public or private nature -- to produce jobs. It takes investment to improve the productive capacity of industry.

What will it take to get our economy moving again?

We need three things: First, we need clear rulings -- rulings that are flexible to handle special circumstances, and regulations that will tell companies where they stand.

Second, we must have hearings procedures that promote public confidence in the decisions. That means we need open hearings, with adequate testimony on all sides of problems.

-- Our productivity must be increased.

-- We must make this country competitive in cost, competitive in quality, and competitive in service.

We must start making economic decisions on grounds that reflect a sensitivity to the problems we face, but that are hardnosed about letting every economic decision become effective as a result of political motives.

We must recognize that there is more to our economy than profits. We need purpose -- purpose to progress, to accomplish the great challenges before us.

Finally, we must move immediately to seek the joint cooperation of business and labor. Today is not the time for confrontation. And, today is not the time for animosities.

I recognize that the stakes are great. But, I also recognize that everyone will lose if the public leadership of this nation does not abandon its strategy of divide and conquer, of polarizing business and labor, of encouraging the enmity of the working man against the employer.

FOREIGN ECONOMICS

Many of the same things I have said about our domestic posture can be applied to our foreign economic relations.

I don't believe the United States can continue with its grandstand diplomacy and big stick economics.

The world is too large, and the stakes are too high. This is not the time for economic isolationism nor unilateral economic policies.

No matter what our feelings toward other countries, we must recognize that we live in a world community. We need trade. We need exports.

If we are truly interested in helping our export problem and balance of payments deficit, then as a first step we must end the war in Vietnam. We must devote the same energy and ingenuity we use to destroy lives toward saving lives here at home.

We should use the massive amounts of armed forces equipments -- bulldozers, earth movers, helicopters, portable medical hospitals, and so on, for development of our urban and rural areas.

As a second step, we can design a meaningful program of export subsidies. We must help our exporting industries.

Third, we can promote a realignment of currencies -- but we should do so in a spirit of consultation and cooperation, not a spirit of one-upmanship and heavy handedness.

I welcome and solicit the ideas of this group of executives.

THE RESPONSIVENESS OF GOVERNMENT

I believe there is a quiet revolution occurring in this nation. It is a revolution of people demanding accountability and sensibility from leadership.

It is a revolution that will reshape the nature of federalism from an adversary relationship to a partnership -- a partnership with national policy objectives, but without direct Washington controls.

It is a revolution that demands a refocus on "street level government" and the essentials of public service.

People must be able to call city hall and have their sidewalk fixed, their apartments inspected, their garbage collected, snow removed, dependable electricity and enough heat.

Street level government means the equalization of services throughout the nation.

It means that when you seek advice or counsel from the government that you get a straight answer -- that your applications for programs and projects are processed in the shortest time possible, that red tape is sliced.

And street level government means a government that cares about people.

I want to leave you with one last thought.

We in Washington need support -- support for an economy that moves forward again, that is productive and promising. We need support for needed social programs to solve human problems. We need support for the reform of our institutions, to make them truly responsive to the needs of the people they serve.

And we look to you for help. If you cop out, if you take a single-minded approach to the problems of our society, then you become part of the problem.

I think we can count on American Business. I know we can.

#

make Del Bank 0000626

- Tank Deal II Chg of Bd
- Mike Halbach - President
- Jay Phillips
- "Mort"
- Sam Halpern

REMARKS BY SENATOR HUBERT H. HUMPHREY

ALCO STANDARD - Valley Forge, Pa.

LAKE GENEVA, WISCONSIN. wishes

DECEMBER 9, 1971

Corporate Partnership

- ① Alan Crown - employee -
Administration of Systems &
Procedures -
Born in Huron S.D.
Attended Huron College
Humphreys Agency

① Ed Phillips +
sons now
partners
in corporate
family
Jay, Mort Phillips
Sam Halpern

Thank You 000627

I WAS TALKING TO YOUR CHAIRMAN, ~~OF THE BOARD~~ EARLIER,
AND HE ASKED ME WHAT I WOULD BE DOING IF I WERE PRESIDENT OF
THE UNITED STATES.

L THAT IS A CHALLENGING QUESTION! THERE ARE SO MANY THINGS
THAT NEED DOING IN OUR NATION,

L WE NEED BETTER HOUSING, DECENT JOBS, A LEVEL OF BASIC
SERVICES ACROSS THE NATION, NEW MECHANISMS OF FINANCING
GOVERNMENT CREDIT! WE NEED ANSWERS TO OUR CITY AND SUBURBAN
PROBLEMS. WE NEED TO REVITALIZE OUR RURAL HEARTLAND. WE NEED
WELFARE REFORM. THE LIST IS ALMOST ENDLESS. -

*none can be done by Gov't alone
none can be done by Private enterprise alone
Partnership - Public + Private!*

*U.S. Partnership
Partnership*

-2-

TODAY I WOULD LIKE TO LIMIT MYSELF TO THREE AREAS: THE ECONOMY, OUR FOREIGN ECONOMIC POLICY, AND THE NEED FOR GOVERNMENTAL RESPONSIVENESS.

ECONOMY

THE NUMBER ONE PRIORITY OF THIS NATION IS TO GET THE ECONOMY MOVING AGAIN. WE CAN DELAY NO LONGER.

*Terrible cost -
Private - Public*

WE HAVE HIGH UNEMPLOYMENT, A SLUGGISH PLANT CAPACITY, HIGH CONSUMER SAVINGS, HIGH ^{+ uncertain} INTEREST RATES, ^{an unstable} ~~A SLUMPING~~ STOCK MARKET, A TIGHT BOND MARKET. IN SHORT, WE HAVE AN ECONOMY THAT IS LIMPING BADLY, AND WE ARE ALL CRIPPLED BECAUSE OF IT. WHAT ARE SOME

ANSWERS?

x | U.S. Economy has been + must be
our main strength abroad &
at home! Military is but sharp
cutting edge.

-3-

TWO WEEKS AGO IN THE SENATE, I VOTED FOR THE INVESTMENT
TAX CREDIT. I DID SO WITHOUT EQUIVOCATION. THIS DEVICE HAS WORKED
BEFORE. IT CAN WORK NOW.

I DO NOT BELIEVE THIS NATION CAN CONTINUE WITH NONCOMPETITIVE,
OBSOLETE FACTORIES. I JUST DO NOT BELIEVE THAT WE CAN CONTINUE
INVESTING THE SMALLEST PROPORTION OF OUR GNP OF ANY MAJOR INDUSTRIAL
NATION.

I ~~think~~ *believe* THE INVESTMENT TAX CREDIT WILL HELP. I THINK IT *can*

help ~~will~~ MOVE US FROM 73 PERCENT CAPACITY UTILIZATION TOWARD FULL
PRODUCTION.

-4-

Consumer Purchasing

I ALSO VOTED FOR PROGRAMS TO STIMULATE EMPLOYMENT. ALL OF US HERE GAIN FROM EMPLOYMENT. (THE GOVERNMENT GAINS BECAUSE TAX REVENUES ARE HIGHER. (BUSINESS GAINS BECAUSE PROFITS ARE HIGHER. PEOPLE GAIN BECAUSE THEY HAVE INCOME SECURITY.

(AND EMPLOYMENT MEANS ^{Consumer} SPENDING; AND SPENDING MEANS ECONOMIC MOVEMENT.

(BUT, I AM DEEPLY DISTURBED ABOUT THE UNCERTAINTY SURROUNDING THE ADMINISTRATION'S ^{Phase II} POST-FREEZE STABILIZATION PROGRAM.

(LET US GO BACK A BIT. WHAT WAS THE REASON FOR THE AUGUST 15 FREEZE? LET'S FORGET POLITICS FOR A MINUTE. WHY DID THE ADMINISTRATION ACT? THE REASON IS SIMPLE -- THE ECONOMY WAS FALLING APART.

-5-

AND WHAT DID THE ADMINISTRATION HOPE TO ACCOMPLISH? AGAIN,
 THE ANSWER IS SIMPLE -- IT WANTED TO GET THE FREE ENTERPRISE
 SYSTEM OF THIS NATION PRODUCING AGAIN.

NOW, WHAT HAS HAPPENED?

CONFUSION, ~~MESS~~, UNCERTAINTY, BUSINESS ANXIETY.

As I see it,
~~THE UNCERTAINTY SURROUNDING THE~~
 NIXON ADMINISTRATION PHASE II PROGRAM IS RESPONSIBLE ^{in part,} FOR THE
 LACK OF CONFIDENCE IN AND THE CONTINUED SLUGGISHNESS OF THE ECONOMY.

Under the Phase II program, THE GUIDELINES ARE CONFUSING
 AND CONTRADICTORY. *Businessmen and working men are uncertain*
 ABOUT WAGES, ^{*Prices, Dividends, Rents*} FRINGE BENEFITS, THE COSTS OF DOING BUSINESS.

↳ BUSINESSMEN DO NOT KNOW IF THEY CAN INCREASE PRICES OR WHAT PRICE
LEVELS WILL BE ACCEPTABLE. THEY DON'T KNOW TO WHAT DEGREE OF
REGULATION THEIR ACTIONS WILL BE SUBJECT.

↳ LOOK AT THE PROCEDURES SET UP UNDER PHASE II.

↳ THERE ARE THREE TIERS OF CONTROLS. ↳ THE LARGEST UNIONS AND

BUSINESSES ARE IN TIER ONE -- THEY MUST HAVE PRIOR APPROVAL FOR *other*

price/wage
INCREASES ↳ THE MIDDLE GROUPS ONLY NEED NOTIFICATION; BUT THERE

IS A CATCH -- THEY CAN BE CALLED UPON TO RESCIND, IF INCREASES ARE

FOUND OUT OF LINE ↳ *Tier III*
FINALLY, THE LOWEST GROUP NEED NOT REPORT, BUT

IF PERCHANCE THEY ARE REPORTED BY SOMEONE ELSE, THEY ARE SUBJECT

TO REVIEW AND MIGHT BE REQUIRED TO RESCIND ANY INCREASE IN WAGES

OR PRICES.

-7-

I SAY THAT BUSINESS CANNOT OPERATE UNDER THESE CONDITIONS.

AS LONG AS THE ECONOMIC DARKNESS CONTINUES, BUSINESS WILL NOT INVEST, PRODUCTION WILL NOT INCREASE, AND CONSUMERS WILL REMAIN UNWILLING TO SPEND.

L ~~HOW IS~~ BUSINESS ^{is} GOING TO MAKE A COMMITMENT OF MEN AND MATERIAL ~~IT MUST~~ HAVE REASONABLE GUIDELINES AS TO COSTS, THE PRICES THEY CAN CHARGE, THE PASS THROUGH ALLOWED, AND THE WAGES THEY MUST PAY?

L I BELIEVE THAT BUSINESS IS IMPORTANT TO THIS NATION. *IT* ^{*we both*} TAKES INVESTMENT -- OF EITHER A PUBLIC OR PRIVATE NATURE -- TO PRODUCE JOBS. IT TAKES INVESTMENT TO IMPROVE THE PRODUCTIVE CAPACITY OF INDUSTRY.

-8-

WHAT WILL IT TAKE TO GET OUR ECONOMY MOVING AGAIN?

L WE NEED THREE THINGS: FIRST, WE NEED CLEAR RULINGS --

RULINGS THAT ARE FLEXIBLE TO HANDLE SPECIAL CIRCUMSTANCES, AND

REGULATIONS THAT WILL TELL COMPANIES WHERE THEY STAND,

L SECOND, WE MUST HAVE HEARINGS PROCEDURES THAT PROMOTE

PUBLIC CONFIDENCE IN THE DECISIONS. L THAT MEANS WE NEED OPEN

HEARINGS, WITH ADEQUATE TESTIMONY ON ALL SIDES OF PROBLEMS.

~~CONSUMER PRICES MUST BE INCREASED.~~

~~WE MUST MAKE THIS ECONOMY COMPETITIVE IN COST, COMPETITIVE~~

~~IN THE MARKET AND COMPETITIVE IN THE MARKET.~~

-9-

WE MUST START MAKING ECONOMIC DECISIONS ON GROUNDS THAT
REFLECT A SENSITIVITY TO THE PROBLEMS WE FACE, *we must also be*

and not HARDNOSED ~~ABOUT LETTING~~ EVERY ECONOMIC DECISION *be determined* ~~BECOME EFFECTIVE~~
~~AS A RESULT OF~~ *by* POLITICAL MOTIVES.

and WE MUST RECOGNIZE THAT THERE IS *a need for* ~~MORE TO OUR ECONOMIC GAIN~~
But we must also recognize the PROFITS ~~WE~~ *NEED* [?] PURPOSE -- PURPOSE TO PROGRESS, TO ACCOMPLISH
THE GREAT CHALLENGES BEFORE US.

L FINALLY, WE MUST MOVE IMMEDIATELY TO SEEK THE JOINT
COOPERATION OF BUSINESS AND LABOR. *L* TODAY IS NOT THE TIME FOR
CONFRONTATION. AND, TODAY IS NOT THE TIME FOR ANIMOSITIES.

Productivity councils -

~~I RECOGNIZE THAT~~ THE STAKES ARE GREAT, ~~BUT, I ALSO RECOGNIZE~~

~~THAT~~ EVERYONE WILL LOSE IF THE PUBLIC LEADERSHIP OF THIS NATION

pursues a

~~DOES NOT ABANDON ITS~~ STRATEGY OF DIVIDE AND CONQUER, OF POLARIZING

BUSINESS AND LABOR, ~~OF ENCOURAGING THE ENMITY OF THE WORKING MAN~~

~~AGAINST THE EMPLOYER.~~

(Kennedy statement)

FOREIGN ECONOMICS

L MANY OF THE SAME THINGS I HAVE SAID ABOUT OUR DOMESTIC

POSTURE CAN BE APPLIED TO OUR FOREIGN ECONOMIC RELATIONS.

~~I DON'T BELIEVE THE UNITED STATES CAN~~ *not rely on* ~~CONTINUE WITH ITS~~

GRANDSTAND DIPLOMACY AND BIG STICK ECONOMICS.

THE WORLD IS TOO LARGE, AND THE STAKES ARE TOO HIGH. THIS

IS NOT THE TIME FOR ECONOMIC ISOLATIONISM NOR UNILATERAL ECONOMIC

POLICIES.

It is the time for frank talk and

000637

000

and a review of and the necessary adjustments
of International Monetary and Trade
policies. We must not, however, scrap
the work of the Post-war period - the
careful building of international institutions to
promote trade & stabilize currencies.
L NO MATTER WHAT OUR FEELINGS TOWARD OTHER COUNTRIES, WE MUST

RECOGNIZE THAT WE LIVE IN A WORLD COMMUNITY. WE NEED TRADE. WE

NEED EXPORTS. We need friends. We need markets

L IF WE ARE TRULY INTERESTED IN HELPING OUR EXPORT PROBLEM

AND BALANCE OF PAYMENTS DEFICIT, THEN AS A FIRST STEP WE MUST END

our involvement in

~~THE WAR IN VIETNAM. WE MUST DEVOTE THE SAME ENERGY AND INGENUITY~~

~~A Decade of Domestic Development~~
~~WE USE TO DESTROY LIVES TOWARD SAVING LIVES HERE AT HOME~~

Yes - we could & should

~~WE SHOULD USE THE MASSIVE AMOUNTS OF ARMED FORCES EQUIPMENTS~~

-- BULLDOZERS, EARTH MOVERS, HELICOPTERS, PORTABLE MEDICAL

HOSPITALS, AND SO ON, FOR DEVELOPMENT OF OUR URBAN AND RURAL AREAS.

-12-

L AS A SECOND STEP, WE CAN ^{showed} DESIGN A MEANINGFUL PROGRAM OF
 EXPORT ~~SUBSIDIES~~ ^{incentives}. WE MUST HELP OUR EXPORTING INDUSTRIES.

L THIRD, WE CAN PROMOTE A REALIGNMENT OF CURRENCIES -- BUT
 WE SHOULD DO SO IN A SPIRIT OF CONSULTATION AND COOPERATION,
 NOT A SPIRIT OF ONE-UPMANSHIP AND HEAVY HANDEDNESS.

I WELCOME AND SOLICIT THE IDEAS OF THIS GROUP OF EXECUTIVES.

THE RESPONSIVENESS OF GOVERNMENT

I BELIEVE THERE IS A QUIET REVOLUTION OCCURRING IN THIS
 NATION. IT IS ^{revealing in} ~~A REVOLUTION~~ OF PEOPLE DEMANDING ACCOUNTABILITY AND
SENSIBILITY FROM LEADERSHIP. - all kinds of leadership

Public - Private -

Consumer ~ Public awareness!

X Decade of Domestic Development
 Privately Rich - Publicly Poor

0000639 Apply lessons of world Bank -
National Domestic Develop Bank
Rural Development Bank
National Growth Policy

0000639

~~It is a revolution~~ We must reshape + redefine
~~IT IS A REVOLUTION THAT WILL CHANGE THE NATURE OF FEDERALISM~~

FROM AN ADVERSARY RELATIONSHIP TO A PARTNERSHIP -- A PARTNERSHIP

WITH NATIONAL POLICY OBJECTIVES, BUT WITHOUT DIRECT WASHINGTON

CONTROLS.

Partnership Public + Private
~~apples~~

IT IS A REVOLUTION THAT DEMANDS A REFOCUS ON "STREET LEVEL
GOVERNMENT" AND THE ESSENTIALS OF PUBLIC SERVICE.

PEOPLE MUST BE ABLE TO CALL CITY HALL AND HAVE THEIR SIDEWALK
FIXED, THEIR APARTMENTS INSPECTED, THEIR GARBAGE COLLECTED, SNOW
REMOVED, DEPENDABLE ELECTRICITY AND ENOUGH HEAT.

STREET LEVEL GOVERNMENT MEANS THE EQUALIZATION OF SERVICES
THROUGHOUT THE NATION.

-14-

IT MEANS THAT WHEN YOU SEEK ADVICE OR COUNSEL FROM THE
GOVERNMENT THAT YOU GET A STRAIGHT ANSWER -- THAT YOUR APPLICATIONS
FOR PROGRAMS AND PROJECTS ARE PROCESSED IN THE SHORTEST TIME
POSSIBLE, THAT RED TAPE IS SLICED,

AND STREET LEVEL GOVERNMENT MEANS A GOVERNMENT THAT CARES
ABOUT PEOPLE.

I WANT TO LEAVE YOU WITH ONE LAST THOUGHT,

WE IN WASHINGTON NEED SUPPORT -- SUPPORT FOR AN ECONOMY
THAT MOVES FORWARD AGAIN, THAT IS PRODUCTIVE AND PROMISING. WE
NEED SUPPORT FOR NEEDED SOCIAL PROGRAMS TO SOLVE HUMAN PROBLEMS.
WE NEED SUPPORT FOR THE REFORM OF OUR INSTITUTIONS, TO MAKE THEM
TRULY RESPONSIVE TO THE NEEDS OF THE PEOPLE THEY SERVE.

-15-

AND WE LOOK TO YOU FOR HELP. IF YOU COP OUT, IF YOU TAKE
A SINGLE-MINDED APPROACH TO THE PROBLEMS OF OUR SOCIETY, THEN YOU
BECOME PART OF THE PROBLEM.

I THINK WE CAN COUNT ON AMERICAN BUSINESS. I KNOW WE CAN.

#



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org